

CLASSIFICATION

SECRET

SECURITY INFORMATION

25X1A

REPORT NO.

CD NO.

COUNTRY China/Hong Kong/Macao

DATE DISTR. 21 July 1952

SUBJECT Chinese Communist Projected Foreign Trade to Acquire Military Supplies

NO. OF PAGES 1

NO. OF ENCLS.
(LISTED BELOW)

25X1A

SUPPLEMENT TO
REPORT NO.

25X1X

1. There is an increasingly severe shortage of military supplies of all kinds in China. From March through May 1952 one Tientsin company received requests from the Northeast and North China Military Areas for over US\$10 million of such supplies as steel plates, saw blades, films, drugs, automobile parts and communication equipment. The company asked all government purchasing agencies both on the mainland and abroad to purchase these items, but succeeded in obtaining only one-tenth of the material. Additional requests are still being received.
2. Since government trading agencies have been unable to meet the demands, the Ministry of Trade has proposed that penalties imposed during the five-anti campaign on merchants engaged in purchasing military supplies be reduced and that the merchants be encouraged to set new records of achievement. This suggestion has led to the hope that merchants will be permitted to resume trade soon with Hong Kong and Macao.

CLASSIFICATION

SECRET

[illegible]